



**U.S. Department of Justice**

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**For Immediate Release:**

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**EVENT: Guilty Verdict**

**Defendant: Patrick B. Kalahar**

**MERRILL, MICHIGAN MAN CONVICTED  
ON FEDERAL BANK AND BANKRUPTCY FRAUD CHARGES**

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A 47-year-old Merrill, Michigan man was found guilty Friday, April 13, 2007, by a federal jury in Bay City on multiple charges of bank and bankruptcy fraud, United States Attorney Stephen J. Murphy announced today.

Murphy was joined in the announcement by Supervisory Senior Resident Agent John Cecil of the Federal Bureau of Investigation.

Found guilty of three counts of bank fraud and two counts of bankruptcy fraud was Patrick B. Kalahar.

The jury deliberated four hours before returning the verdict, concluding a four-day trial before United States District Judge Thomas L. Ludington.

The evidence presented at trial showed that Kalahar, who had been the Chief Executive

Officer of Credit Union Plus in Bay City for a number of years in the 1990s, left that position in 1999 to go into private business. He continued to maintain several personal accounts at the credit union, however, as well as several business accounts.

In 2004, Kalahar was the sole owner and manager of Kalahar Mobility, LLC, Bay City, which converted and outfitted motor vehicles for use by the disabled. In late July of 2004, Kalahar knowingly authorized the deposit of a \$63,860.72 check from his investment company on which there was a stop payment in place. On each of the next two days he authorized the deposit of a check drawn on his company bank in Illinois into his Credit Union Plus account. These checks were for \$80,500, and \$90,810, respectively. All three checks were worthless and Credit Union Plus suffered a loss of over \$170,000.

In June of 2005, Kalahar filed for bankruptcy protection. In doing so, he failed to indicate, under oath, that Credit Union Plus was seeking over \$170,000 from him, or that Credit Union Plus had closed several of his accounts after it had been defrauded on his three worthless checks. Kalahar Mobility went out of business and closed its doors in October, 2005.

“Whether the criminal activity is committed on the street or in the board room, my office will vigorously pursue corrupt and fraudulent schemes, such as the one that resulted in this conviction.” United States Attorney Murphy said.

Murphy commended the work of the agents of the Federal Bureau of Investigation in the investigation, and the office of the U.S. Trustee.

A sentencing date has not been set. Kalahar faces up to 30 years’ imprisonment. The case was prosecuted by Assistant U.S. Attorney James A. Brunson.